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# County Executive's FY 11 Recommended Budget Department of Health and Human Services

Community Budget Presentation  
Wednesday, March 17, 2010  
6:00 p.m.

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# County Executive's Policy Priorities

- A Responsible and Accountable County Government
- Affordable Housing in an Inclusive Community
- An effective and efficient transportation network
- Children Prepared to Live and Learn

# County Executive's Policy Priorities

- Healthy and Sustainable Communities
- Safe Streets and Secure Neighborhoods
- A strong and vital economy
- Ensuring Vital Living for All of Our Residents

# Factors Contributing to Current Budget Woes

- Continuing sharp declines in tax revenues
- A weakened national and regional economy
- The fiscal impact of this winter's historic blizzards - over \$60M
- Continuing declines in the housing market
- State budget woes— total impact of state budget cuts for FY10 are still evolving and FY11 budget cuts are being deliberated in Annapolis as we speak

# Methods used to close the gap...

- Reduce tax supported reserves from 6% of resources to 5%
- No pay increases for FY11
- 10 furlough days
- Recommend an Emergency Medical Services Transport Fee
- Increase energy tax that will equal an increase of approximately \$3 per month for each homeowner
- Increase in water and sewer rates by 8.5%

# CE's Budget Math

- County Executive is recommending a decrease of \$76.5 million or a 6.1% decrease, from the FY10 approved budget for Montgomery County Government
- The overall tax supported budget (including all agencies) of \$3.68 billion is down 4.3% from the FY10 approved budget
- Overall County budget (all funds) for FY11 is \$4.3 billion down \$169.7 million – a 3.8% decrease – the first time the annual County budget has been reduced since the adoption of the County Charter in 1968

# CE's Proposals on Spending Reductions:

## ■ Total tax supported reductions

- County Government = \$76.5 million (6.1% decrease)
- Schools = \$79.5 million (3.9% decrease)
- College = \$8.3 million (3.8% decrease)
- Park and Planning = \$15.1 million (13.5 % decrease)
- Elimination of 450 positions

# FY11 CE Recommended HHS Budget Overview

- FY11 County General Fund Recommended Expenditures = \$173,558,430 (10.6% reduction from FY10 level of \$194,074,350)
- \$2.1M reduction in the allocation for Housing First (HIF)
- FY11 Recommended budget from all revenue sources = \$246,759,400 and a total of 1,461.7 work years (8.1% reduction from FY10 level of \$268,570,740)
- State budget still pending—reduction levels to Montgomery County currently unknown

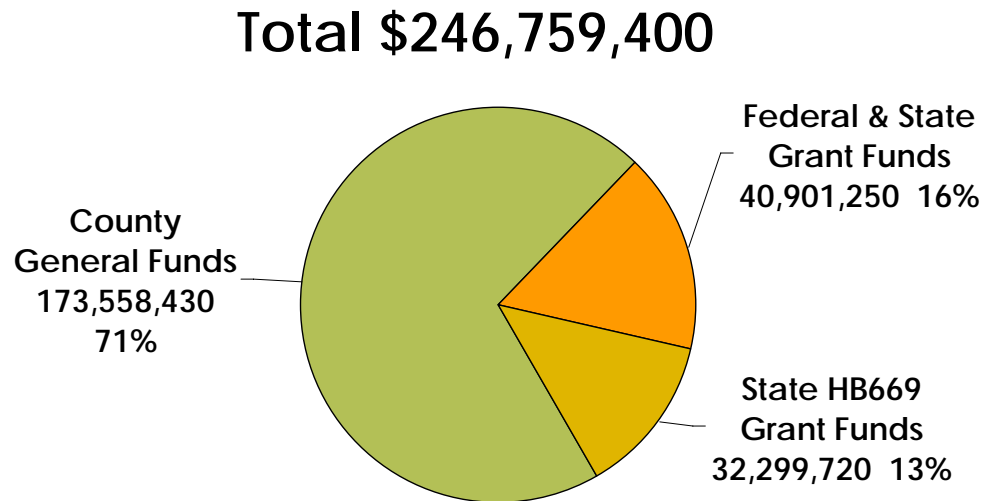


# The Last Few Years

- From FY09 to FY10, the Approved General Fund Budget was reduced by \$7.18 million or 3.6%, the overall departmental budget (including grant funds) was reduced by 4.9M or 1.8%
- In addition, in FY10, the department has implemented over \$2.9 million in general fund savings plan reductions, for a total of over \$10M in reductions from the FY09 approved level

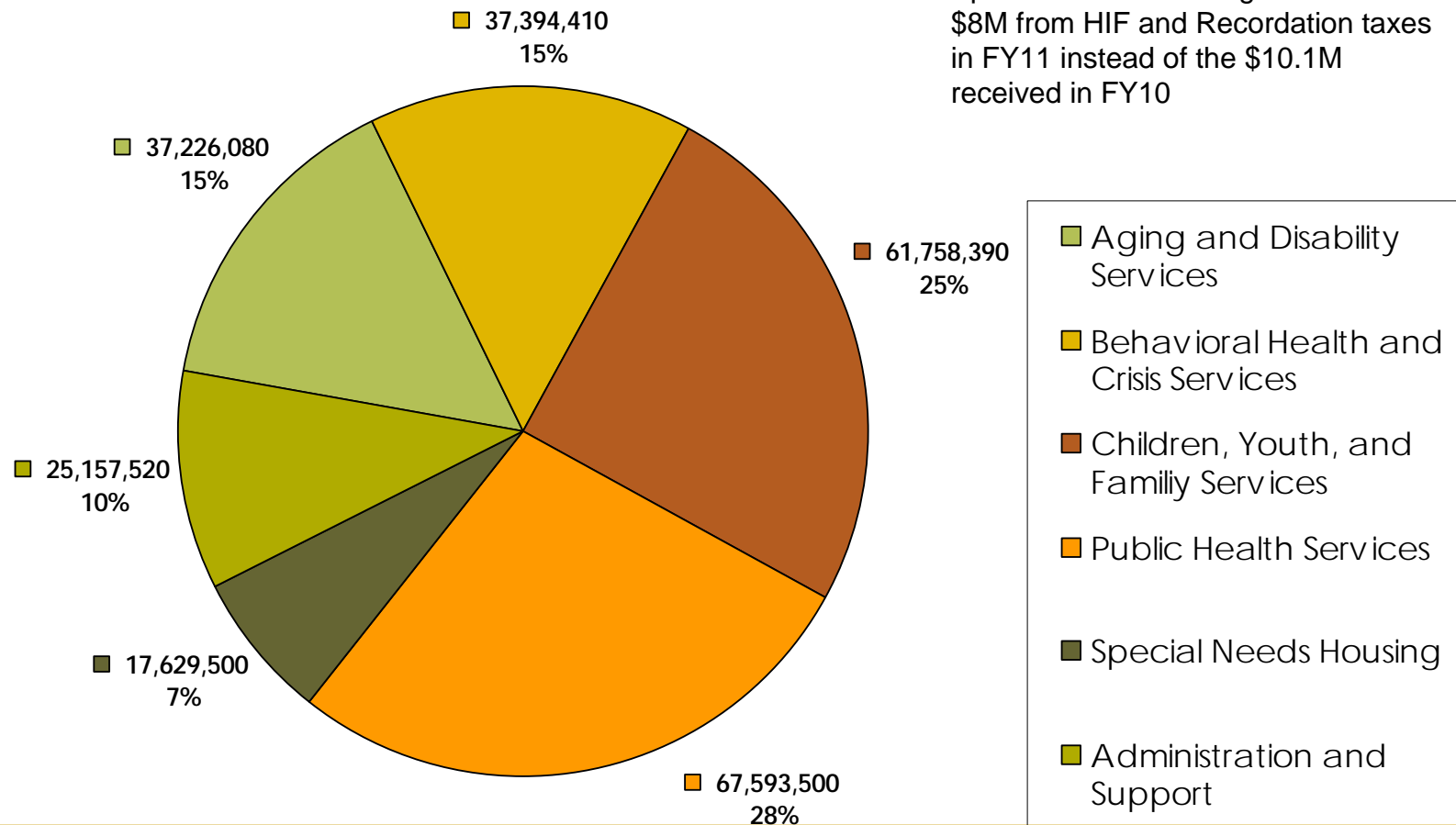
# FY 11 Budget Overview

- Budget decreased to \$246,759,400 (almost \$22 million less than FY10 funding levels and a reduction in our HIF allocation by \$2.1M)



# FY11 DHHS

## Budget by Service Area



# The Needs Continue to Grow...

- Public Assistance caseloads grew every month since FY07 and, as of February 28, 2010, are at a high of:
  - ❑ Temporary Cash Assistance (TCA): 928 (33.7% increase)
  - ❑ Food Stamps (FS): 18,146 (60% increase); and
  - ❑ Medicaid (MA): 38,788 (32.4% increase).
- Total ***applications*** for these programs increased dramatically from FY07 through FY09: TCA by 42.2%; FS by 73.3%; and MA by 17%

# The Needs Continue to Grow...

- Countywide, home energy assistance recipients grew from 6,840 in FY08 to 8,077 in FY09, an 18% increase. The rate of application intake increased 22% in the first 6 months of FY10 as compared to the first 6 months of FY09.
- All 95 family shelter and all single adult shelter beds continue to be at capacity.
- Emergency Assistance Grants for FY09 increased by 1,084 (18.3%) over the previous year. The increase in demand continues to trend upward in FY10.
- Patient load in Montgomery CARES is currently on a trajectory to hit 26,000 patients this year, a 20% increase over FY09 and a 55% increase over FY08.

# Core Principles/Considerations used in Our Budget Development Approach

- Try to do the least harm with service cuts both within the Department and with our contractors;
- Protect the safety net;
- Continue mandated programs;
- Look at High Cost-Low Volume programs which while effective may not be sustainable;
- What is the impact of not doing the work?
- Recent service level expansions (within the last three years that were not sustainable).
- Are there other sources of funding to continue the program?
- Is there duplication of programming within HHS?
- Is the program effective?

# Overview of larger HHS reductions

- School health room aides' hours that expanded to 7 hours two years ago as a result of a side agreement in the negotiated labor agreement will now drop to 6 hours effective July 1.
- 17 filled positions will be impacted by a Reduction in Force (RIF) both bargaining and non-bargaining. The total impact of abolishing vacant positions and reducing work hours of school health room aides adds up to a 72 work year reduction for the Department.
- The reduction of staff in the Public Inebriate Team will be effective 12/31/2010 and the reduction of staff in the Conservation Corps will occur effective 10/31/2010. Both of these programs will be sustained in the private sector through contracts at reduced cost and an adjusted scope.

# Overview of larger HHS reductions

## (continued)

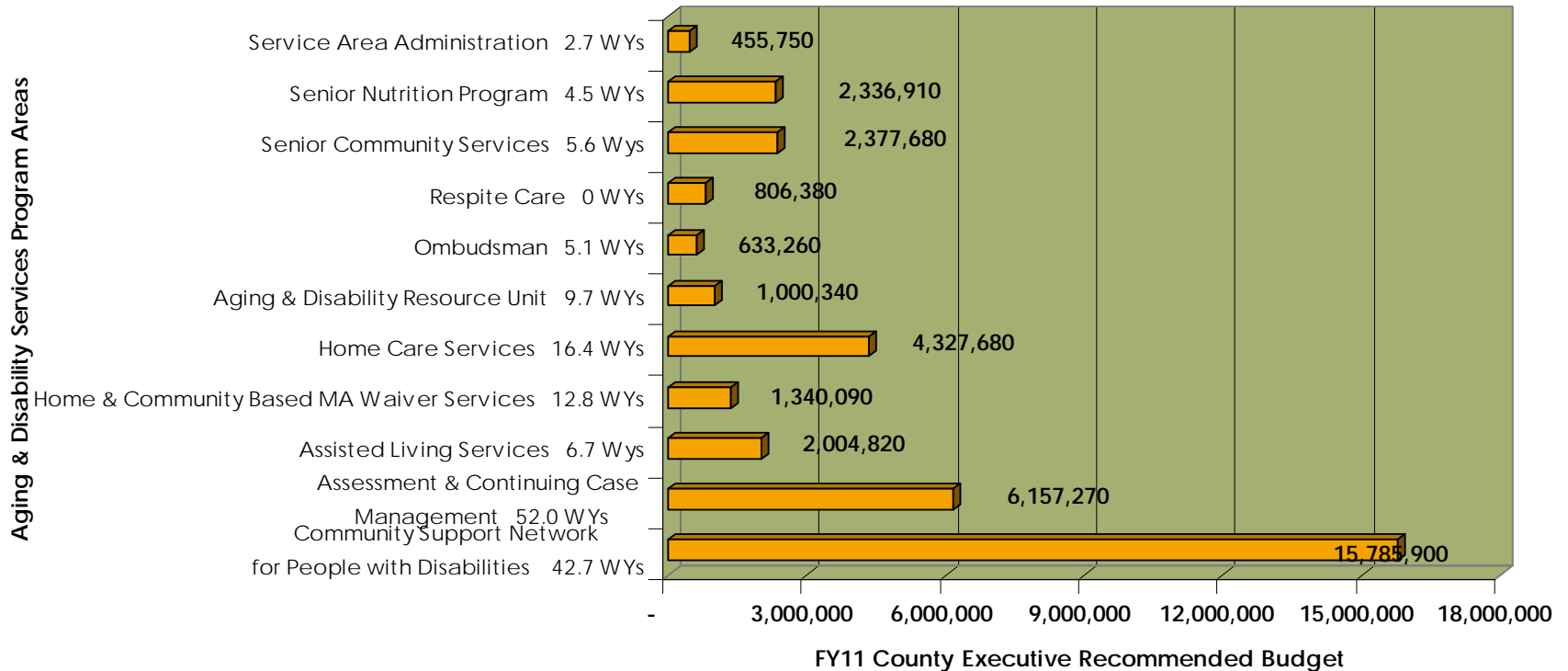
- We have also lost significant federal and state revenues due to state budget cuts and disallowances and other grant shortfalls and adjustments
- A 7% across the board reduction in contracts except for those contracts that experienced a deeper budget cut.
- Shift of Purchase of Care subsidies to the State (\$6.7 million)
- A Retirement Incentive Program (RIP) is proposed (subject to County Council approval) only in classifications where a Reduction In Force (RIF) is being recommended. The RIP will be a one-to-one offering to help the RIF and also to ensure that an equal number of positions are abolished as is recommended in the budget.



# Aging & Disabilities Services

- Reduction in hours for Home Care/Personal Care Services
- Decreased funding for congregate meals in the Senior Nutrition Program
- Reduction in number of sites served and trips provided by senior transportation services
- Reduction in the Individual and Family support services components of the supplement to providers of services to the developmentally disabled

# Aging & Disability Services Budget by Program Areas



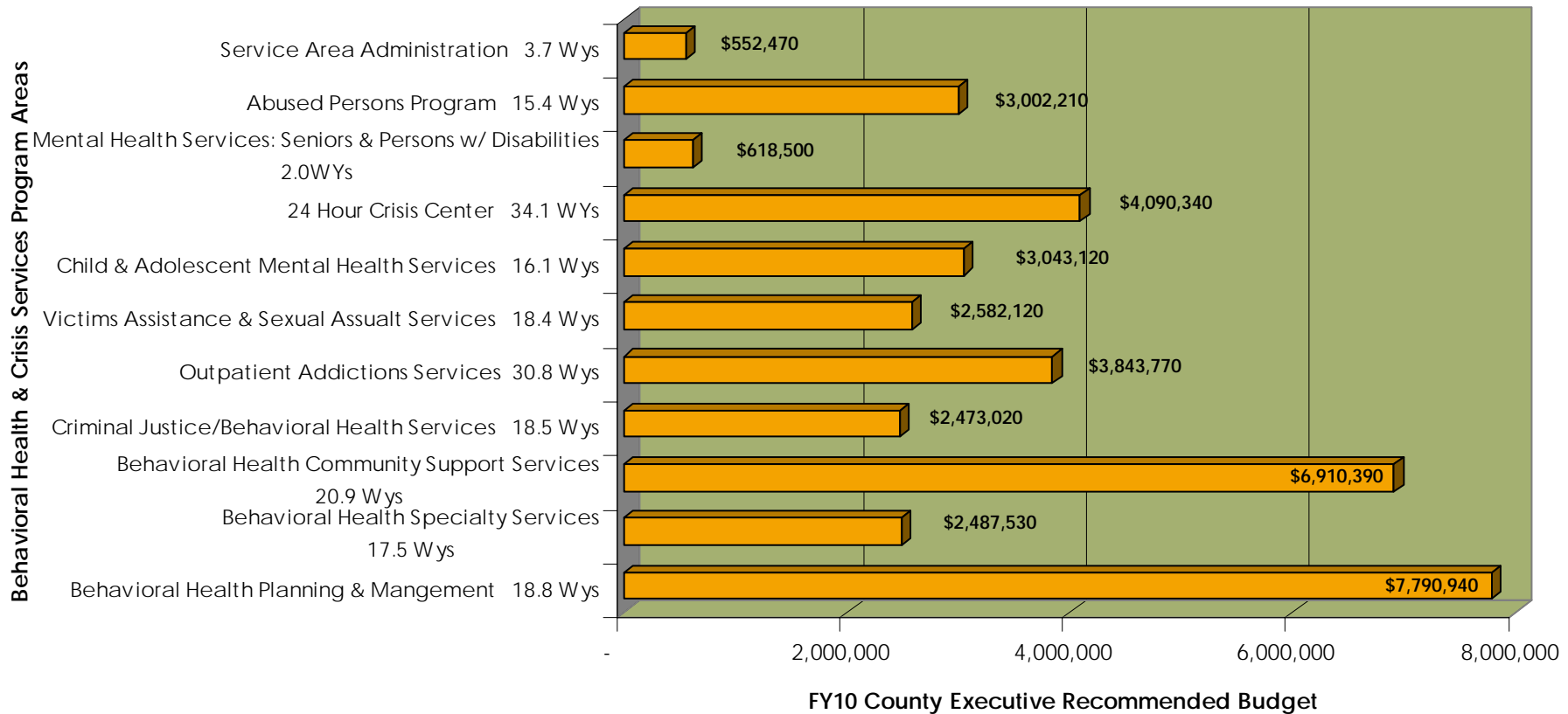
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# Behavioral Health and Crisis Services

- Restructure the Silver Spring Public Inebriate Initiative to provide an integrated public inebriate and homeless outreach effort
- Eliminate the Wheaton Public Inebriate Initiative (never implemented in FY10)
- Reduce funding for psychiatric services in Child & Adolescent Mental Health

# Behavioral Health & Crisis Services

## Budget by Program Areas

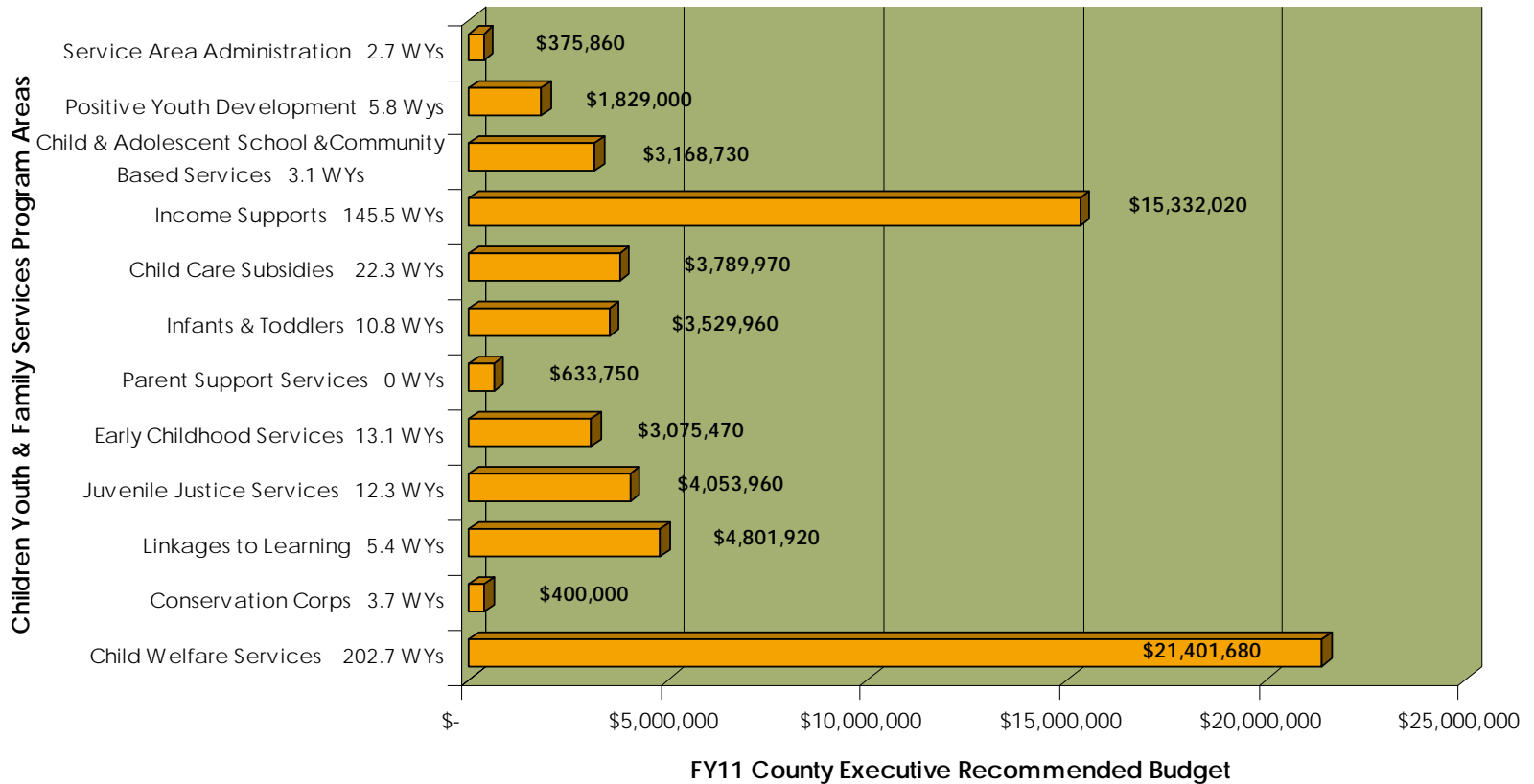


# Children, Youth and Family Services

- Maintain funding for Family Intervention Specialist in Juvenile Justice Services
- Reduce contract funding for the Crossroads Youth Opportunity Center
- Eliminate the part-day community-based Pre-K
- Reduce funding for Conservation Corps and shift to private sector
- Eliminate violence prevention program funding

# Children, Youth, & Family Services

## Budget by Program Areas

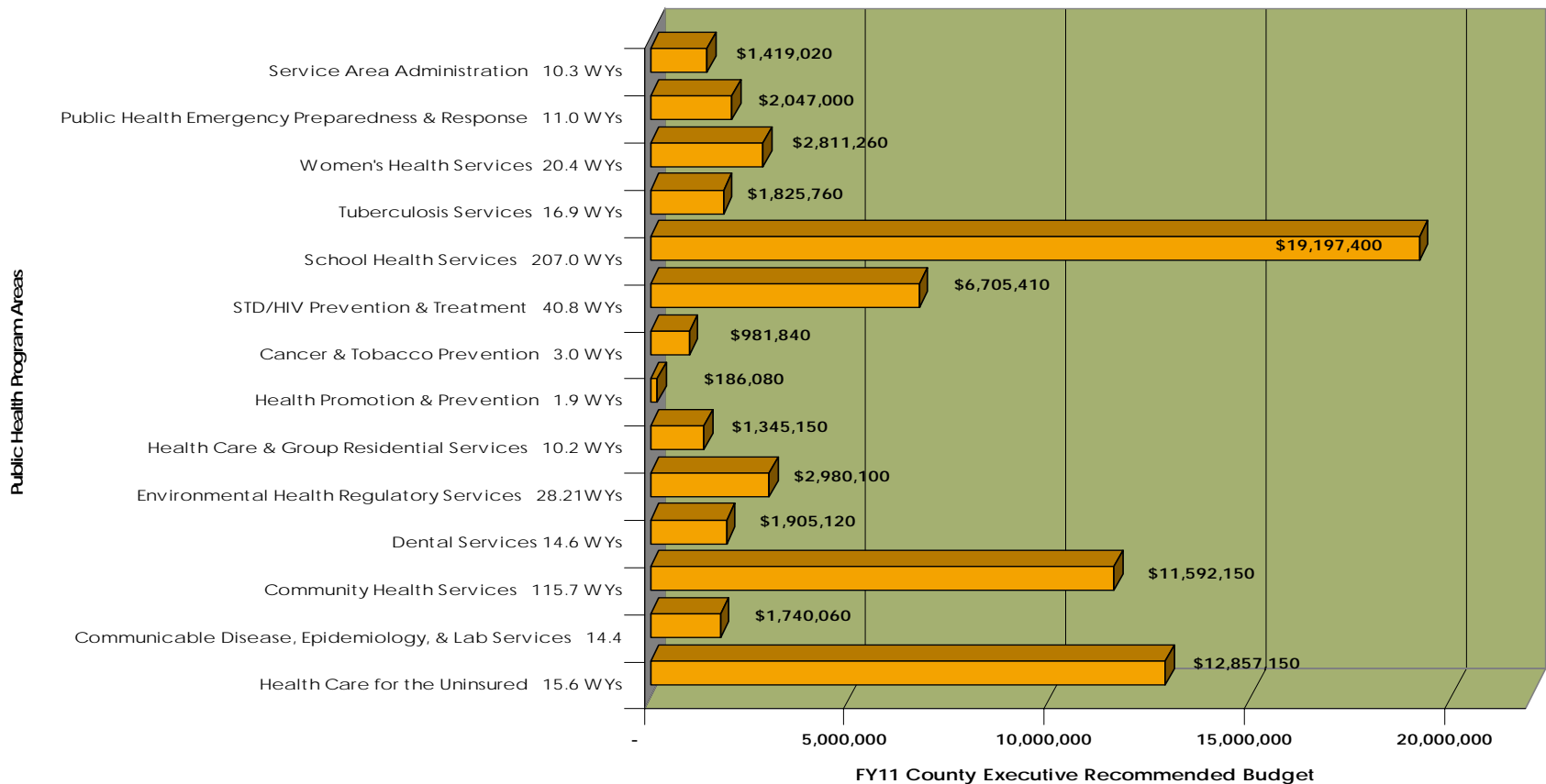


# Public Health

- Reduce Montgomery Cares while sustaining access to 23,000 patients
- Decrease funding for Care For Kids/Increase enrollment in school based health centers
- Significant reductions in prevention and outreach programs, including car seat safety, tobacco prevention in schools and the G.O.S.P.E.L program
- Reduce hours for school health room aides
- Reduce Maternity Partnership based on decrease in enrollment

# Public Health

## Budget by Program Areas

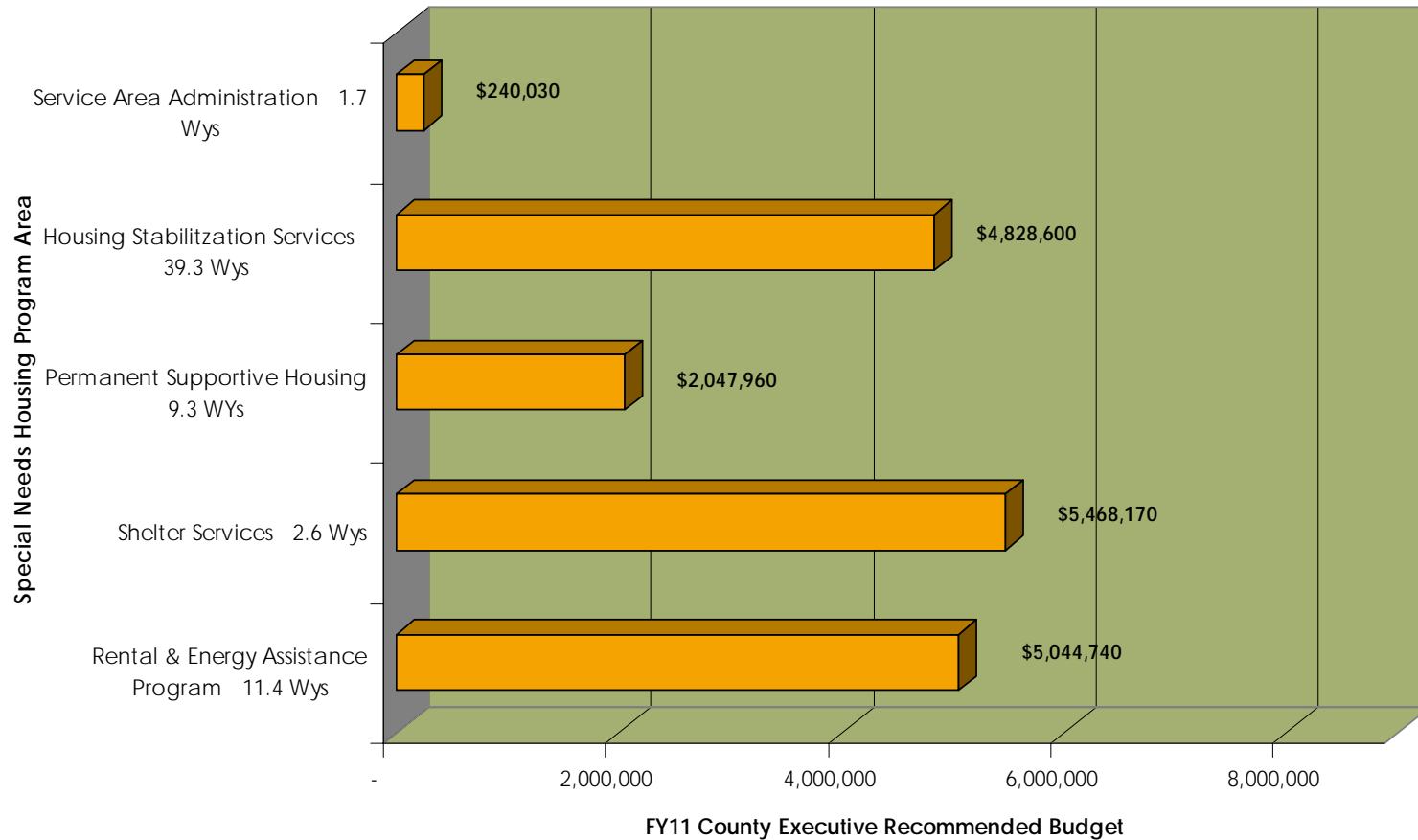




# Special Needs Housing

- Increased funding for the County Energy Rebate Program based on increase in energy tax
- Reduced Homeless Outreach services
- Adjust the Housing First Program against the cuts to the Housing Initiative Fund

# Special Needs Housing Budget by Program Areas



# Support to Community Organizations

- The FY11 CE Recommended Community Grants Non-Departmental Account (\$3,084,060) includes full or partial funding for 76 requests:
  - \$64,020 via the Community Services Grants program
  - \$3,020,040 for CE recommended Community Grants
- In addition, \$450,000 in support to community organizations is included in the Capital Budget in the Cost Sharing:MCG project

# Impact of Federal Stimulus known as ARRA

- \$2.1 million in homelessness prevention and rapid re-housing
- \$600,000 in CSBG
- State Stimulus allocations are formula based and will result in increased food stamp award and extension of Medicaid and increased employment and job training programs
- Many federal competitive grant opportunities in partnership with our various service partners – still trying to figure out how to proceed

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# Questions?